

Paper change: A necessity in Civil War days

By Roger Boye

This week's column answers more questions about old coins and currency.

Q—I can't imagine why anyone would issue a note in the amount of 10 cents, but I have such a bill showing the face of William Meredith, secretary of the Treasury in 1849, and the words "series of 1870." What can you tell me about it?—G.G., Evanston.

A—During the Civil War, people hoarded their pocket change because inflation made the metal within most coins worth more than their face values. The shortage of hard money forced merchants to distribute credit slips, tokens and even postage stamps encased in metal.

Starting in 1862, Uncle Sam came to the rescue by issuing "fractional currency," eventually in six denominations ranging from 3 to 50 cents. Production ended in 1876 when the output of new coins and diminishing postwar inflation made "paper change" unnecessary.

The piece you describe—probably printed in 1875—might retail for as much as \$10 today, if it's in "very fine" condition. Torn or holed bills are worthless.

Q—Why are Canadian silver quarters worth less than U.S. silver quarters? Also, why did Canada wait until 1968 to eliminate silver from its quarters, while our country converted to nonsilver in 1965?—C.K., South Bend, Ind.

A—Canadian quarters minted between 1920 and 1967 contain just .15 of an ounce of silver versus .18 of an ounce for their U.S. counterparts produced before 1965. With silver at \$11 an ounce, a "common date" Canadian quarter brings about \$1.65, while the U.S. coin fetches nearly \$2.

Thanks to the rising price of silver, the metal in a Canadian quarter was worth nearly 25 cents by mid-1967. The government immediately reduced the silver content and then, as silver prices continued to escalate, eliminated the precious metal starting on Aug. 1, 1968.

Because of its higher silver content, the value of metal in U.S. quarters approached the critical 25-cents level in late 1964, forcing bureaucrats to remove silver from 1965-dated specimens. By the way, old Canadian dimes and half dollars also contain less silver than their U.S. cousins.

Q—Does Canada make its own coins? If so, where?—B.G., Aurora.

A—Great Britain produced all Canadian coins until 1908 when officials opened the mint in Ottawa. Today, Canada also has branch mints in Winnipeg and in Hull, where collectors' coins are made.